

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1099
ANSWERED ON:02.08.2006
CONVERSION OF COAL INTO OIL
Mohite Shri Subodh

Will the Minister of COAL be pleased to state:

- (a) Whether the Government is aware that conversion of coal into oil is economically viable;
- (b) if so, whether the Government proposes to produce oil from coal;
- (c) if not, the reasons therefor;
- (d) whether the Coal India Limited (CIL) has started production of coal based methane for business purpose;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARINARAYANA RAO)

(a) & (b): Technical aspects for conversion of coal to oil have been established in other countries and the same may be possible in our country also, The economic viability is yet to be proven with various types of Indian Coal. Oil India Limited (OIL) is currently studying coal liquefaction processes for production of liquid fuel from the coal resources of the North East Region. A Joint Task Force (JTF) with members from Coal India Ltd. (CIL) and Oil India Ltd. has been formed for ascertaining the feasibility of adequate availability of coal from north eastern region and sorting out related issues.

(c): Does not arise in view of reply given to parts (a) & (b) above.

(d): Production of coal bed methane (CBM) has not been started by CIL for business purpose.

(e) & (f): A demonstration project funded by GOI /UNDP /GEF is currently underway in Jharia coalfield for establishment of CBM production and commercial utilization technology. In addition to this project, 2 Petroleum Exploration Licenses (PEL) have been obtained by CIL as consortium partner of Oil & Natural Gas Corporation Ltd. (ONGC) for development of CBM in 2 blocks in Jharia & Raniganj coalfields. Exploration and pilot appraisal through slim hole drilling for assessment of feasibility of commercial development of CBM in these two blocks are under progress.